




Town of Dunstable Annual Town Meeting

Advisory board discussion of the
FY06 budget
May 9, 2005



Revenue Summary

Free cash is once again a significant
issue in our budget



FY06 Revenue Sources

Base.....	4,395,844
Add 2.5%.....	109,896
Override	0
New Property.....	125,000
<i>Subtotal</i>	<u>4,630,740</u>
Debt Exclusion (Town).....	372,632
Debt Exclusion (GDRSD).....	680,204
State Aid	256,994
Local Receipts (est).....	638,303
Water Income.....	52,730
financing for Fire Truck & Equipment.....	300,000
Free cash used against the tax rate.....	144,532
Transfer from Stabilization for capital equipment.....	35,000
TOTAL	<u>7,111,136</u>

Free Cash Roll Forward

Certified Free Cash 7/1/05	\$429,587
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FY05 uses of free cash:

STM - Water Dept.

250,000

Free Cash after STM in Fall

179,587

FY05 uses of free cash:

free cash to offset the snow deficit

(35,055)

Cash used to offset tax rate:

(144,532)

NET FREE CASH AVAILABLE

\$0

Transfers to offset snow deficit

Acct #	Title	Amount
175-007	Master plan	2,348
195-005	Town Reports	350
199-005	Engineer	10,000
210-001	Police Wages	10,000
210-005	Police Expenses	2,000
210-006	Police Cruiser Exp	2,000
210-007	Police Radio	1,000
211-000	Police Station Expense	1,500
300-001	GDRSD	23,814
422-002	HWY PT Wages	7,000
422-006	HWY Maintenance	4,200
422-011	HWY Line Painting	2,152
433-000	Transfer Station	10,000
541-005	COA BUS	10,000
752-000	INT on Temp Loan	10,000
07-01-2001	Certified Free Cash	35,055
	Total	<u>131,419</u>

Note:

These amounts will
not be available for
use in next year's
free cash

Summary: Implications of FY05 revenue budget

- It is highly unlikely that free cash will be available in future years at historical levels.
 - We have increased local receipts from \$470,000 to \$638,000 to cover current year growth.
 - Municipal salaries have had to grow by more than \$60,000 to cover increased hours and get staff paid at roughly market rates.
 - We potentially will need to use roughly \$65,000 in free cash at a STM in the fall to fund the revenue shortfall in the current budget (to be discussed in subsequent slide).
 - We have “swept” current year surplus accounts to cover current year snow deficits. These accounts will not roll into FY06 free cash balances.
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Expense trends

Expense summary: Selected categories

Expense Category	Voted FY04	% Budget	Voted FY05	% Budget	Recommended FY06	% Budget	3 yr rate of growth
General Government	313,531	5.28%	393,951	6.12%	417,985	6.49%	33.32%
Public Safety	687,762	11.59%	757,455	11.76%	785,370	12.19%	14.19%
GDRSD Operating	2,949,400	49.69%	3,230,999	50.15%	3,508,815	54.47%	18.97%
Public Works	335,473	5.65%	379,584	5.89%	403,947	6.27%	20.41%
Total Line Items	\$5,935,924		\$6,442,279		\$6,799,065		

- General Government growth is driven largely by increased funding for conservation and contingent legal expense
- Public Safety increases are driven primarily by police department expense growth (cruiser lease, joining NEMLEC, training, etc.)
- Public works expenses growth is largely attributed largely to increased snow removal funding.

Allocation of new revenues

		projected as of 2/28/2005	
	6/30/2005	6/30/2006	New Revenues
Base.....	4,150,724	4,395,844	
Add 2.5%.....	103,768	109,896	109,896
Override		0	
New Property.....	125,000	140,000	140,000
	<i>Subtotal</i>	<i>4,645,740</i>	
Debt Exclusion (Town).....	372,632	372,632	
Debt Exclusion (GDRSD).....	665,675	709,150	
State Aid	218,988	256,994	38,006
Local Receipts (est).....	470,000	557,000	87,000
Water Income.....	52,600	52,730	
Free Cash in lieu of OR.....			
Free cash used against the tax rate.....	342,195	0	
Free cash used to fund articles.....	7,500	0	
	Total Revenues	6,594,246	\$374,902
Total New Revenues to GDRSD for FY 2006		61%	228,690
Total New Revenues for Municipal Budget			146,212
Total New Revenues			\$374,902

Assessment increase requested by GDRSD – 2 to 3 weeks ago

Total Assessment for GDRSD for FY 2006 Per Dunstable FINCOM

Groton Dunstable Assessment Total 06-30-2005	3,909,484
Total New Revenues to GDRSD for FY 2006	228,690
Total Assessment to GDRSD for FY 2006	<u>4,138,174</u>

Total Assessment for GDRSD for FY 2006 Per GDRSD

Groton Dunstable Assessment Total 06-30-2005	3,909,484
total Increase in Assessment	293,470
	<u>4,202,954</u>
Difference in Total Assessment	<u>(\$64,780)</u>



Appendix



Historical uses of free cash

Free Cash: Uses Worksheet						
	2001	2002	2003	2004	2005	5 year Averages
Prior year certified	\$ 578,242	\$ 634,476	\$ 502,126	\$ 480,350	\$ 429,587	524,956
Use categories:						
Capital purchases	36,808	85,500	306,807	8,500	250,000	137,523
Snow removal	72,041		93,344	97,886	35,055	59,665
Operating and other	125,331	84,560	2,231	65,000	-	55,424
Highway/Paving	120,000	107,500			-	45,500
Stabilization	150,000				-	30,000
Conservation	50,000	50,000		40,000	-	28,000
Offset tax rate	-	300,000	100,000	260,195	144,532	160,945
Total uses:	<u>554,180</u>	<u>627,560</u>	<u>502,382</u>	<u>471,581</u>	<u>429,587</u>	<u>517,058</u>
Year end balance	<u>\$ 24,062</u>	<u>\$ 6,916</u>	<u>\$ (256)</u>	<u>\$ 8,769</u>	<u>\$ -</u>	<u>28,187</u>

Free cash historical sources: roll forward

						Projection:
Free Cash	2000	2001	2002	2003	2004	5 yr. Ave
Free cash certified previous year	\$ 360,445	\$ 578,242	\$ 634,476	\$ 502,126	\$ 480,350	511,128
Free cash calculation current year	578,242	634,476	502,126	480,350	429,587	524,956
Net change	217,797	56,234	(132,350)	(21,776)	(50,763)	13,828
Identified free cash calculation:						
Local receipts budgeted - excess (shortfall)	\$ 259,512	\$ 385,885	\$ 323,741	\$ 341,970	\$ 191,837	300,589
Revenue received not estimated	18,345	23,688	19,694	16,725	1,643	16,019
State cherry sheet budgeted - excess (shortfall)	27,521	64,585	(25,647)	(19,393)	2,163	9,846
Add: Unencumbered/unexpended appropriations	100,670	104,129	91,075	148,198	141,998	117,214
Add: Prior year free cash not appropriated	101,445	24,062	6,916	-	8,939	28,272
Add: Overlay surplus closed to fund balance	20,740	42,289	53,834	44,887	63,342	45,018
Net change in tax receivables last year vs. this year	(11,988)	(10,162)	32,513	(48,453)	33,552	(908)
Other financing sources	61,997			(3,584)	(13,887)	8,905
Identified free cash	<u>\$ 578,242</u>	<u>\$ 634,476</u>	<u>\$ 502,126</u>	<u>\$ 480,350</u>	<u>\$ 429,587</u>	<u>\$ 524,956</u>

Free cash: Estimated roll-forward

	FY06	FY07	FY08	FY09
Free Cash Rollforward:				
Estimated Free Cash at 7/1	\$429,587	\$161,340	\$160,000	\$160,000
Free cash used	429,587	161,340	160,000	160,000
Free cash added at year end	\$0	\$160,000	\$160,000	\$160,000
NET FREE CASH AVAILABLE	\$0	\$160,000	\$160,000	\$160,000
Percent of total budget	0.00%	2.25%	2.12%	2.03%

Stabilization: Estimated roll-forward

	FY06	FY07	FY08	FY09
Stabilization Rollforward:				
Prior year end balance	310,892	285,219	293,776	302,589
Transfers to	0	0	0	0
Transfers out	35,000	0	0	50,000
Interest @ 3%	9,327	8,557	8,813	9,078
Ending balance	<u>285,219</u>	<u>293,776</u>	<u>302,589</u>	<u>261,667</u>
Percent of total budget	4.01%	4.12%	4.01%	3.32%

Appropriation impact on the FY05 tax rate

- # \$425,650 of expense = \$1.00 on tax rate
- # \$300,000 of expense = \$.71 on tax rate
- # \$200,000 of expense = \$.47 on tax rate
- # \$100,000 of expense = \$.23 on tax rate